



STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT & BUDGET
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

LISA WEBB SHARPE
DIRECTOR

September 23, 2009

Doug Ringler, Director
Office of Internal Audit Services
Office of the State Budget
George W. Romney Building
111 South Capitol, 6th Floor
Lansing, Michigan 48913

Dear Mr. Ringler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, following is a summary table identifying the responses and corrective action plans to address recommendations contained within the Office of the Auditor General's Financial Audit of the Michigan Exposition and Fairgrounds Authority (MEFA), Department of Management and Budget.

Questions regarding the summary table or corrective action plans should be directed to me at (517) 335-1557.

Sincerely,

Signature Redacted

Michael R. Gilliland, Director
Financial Services

Attachment

c: Mitch Bean, House Fiscal Agency
Bob Burns, DMB Government Affairs
Representative George Cushingberry, Chair, House Appropriations
Laura Hirst, Office of the Auditor General
Senator Ron Jelinek, Chair, Senate Appropriations
Nathaniel Lake, Jr., Executive Office
Rick Lowe, OIAS/GSD
Gary Olson, Senate Fiscal Agency
Robert Porter, MEFA
Rose Wilson, DMB Chief Deputy Director

Michigan Exposition and Fairgrounds Authority
Department of Management and Budget
Summary of Agency Responses to Recommendations
Audit Period: 10/1/07 – 9/30/08
Corrective Action Plan

Michigan Exposition and Fairgrounds Authority (MEFA) Audit.

Recommendation No. 1 – Ticket Inventory and Ticket Sales:

We recommend that MEFA implement sufficient controls over its ticket inventory and ticket sales.

Response:

MEFA agrees and will comply. MEFA, in conjunction with DMB-Financial Services will update ticket procedures prior to the start of the 2009 Michigan State Fair. MEFA will be in compliance on August 27, 2009. DMB-Financial Services conducted a complete inventory of all the tickets on May 5, 2009, and will be responsible for the controls and oversight of the general gate admission tickets and general parking tickets used during the 2009 Michigan State Fair.

Recommendation No. 2 – Vendor Space Rentals:

We again recommend that MEFA obtain required insurance certifications for vendor space rentals prior to the start of the State Fair.

Response:

MEFA agrees and will comply. Internal controls will be updated for the 2009 State Fair to ensure signed contracts for vendor space rentals are on file at MEFA, along with evidence of Liability and Workers Compensation Insurance and verification of payment. MEFA implemented a new policy to include an insurance verification form in the vendor application packets. In addition, MEFA will obtain the assistance of a DMB-Financial Services Post Auditor to perform an initial review of the vendor space rental files the first week of August 2009. Following the initial review MEFA will be notified what documents are still needed. The post auditor will follow-up with MEFA to verify that the additional documents have been submitted for all the vendors on file to meet all audit requirements. MEFA will be in compliance on August 27, 2009, prior to the opening of the Fair.